2nd Edition

The Complete Guide to

Product Development and Merchandising

Surefront® Retail Guides

Turning Retail Inside Out

Your new shirt's journey

How did the new shirt you just bought make its way to the store? Every day, retail buyers make decisions that determine which products are available to you, the consumer. They work with their vendors to source or manufacture products, negotiate prices, and deliver them to your nearest store.

The Missing Threads

Our team embarked upon four months of human-centered research into the retail purchasing world, conducting interviews, contextual inquiries, empathy-building exercises, and other research activities. Our biggest takeaway: buyers' decision-making processes are compromised by their current purchasing tools - **email, stacks of printed sales data, Microsoft Excel, product offer PDFs, cameras, calculators** - because these tools are unconnected, decontextualized, and require duplicated effort. Our challenge is to improve working relationships and processes between buyers and vendors, and the people supporting them.

## Designing seamless buyer-vendor collaboration

Over the course of another four months, we iteratively prototyped and tested design ideas for a new type of buyer-vendor collaboration platform. We created Buying Time, a service-oriented platform for buyers and vendors to move from product offers to purchase orders efficiently and effectively, while having fun along the way.

Buyer   **Vendor**

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The Buying Experience Today

For four months, we immersed ourselves in the fast-paced, complex world of retail purchasing—diving into buyers' and vendors' needs, desires, and processes. We learned that the current state of buying is *not* an enjoyable shopping experience: it's filled with spreadsheets and paperwork, not thrill. We relied on four research insights to make buying both fun *and* effective.
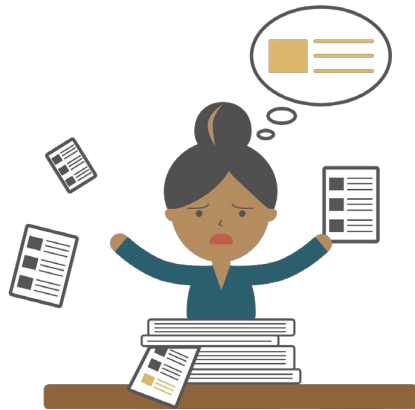
Buyers can't find the needle in the haystack.

Buyers live and breathe products. However, to get a product's full story, they have to cross-reference a muddled stack of sales spreadsheets, offers and meeting notes from vendors, and many other documents and emails. When a buyer transitions roles, getting up to speed on all this product information can take months (especially when half the information is lost to the previous buyer's email account).

Supporting Research Methods: Artifact Analysis, Contextual Inquiry, Competitive Analysis, Interviews

Surefront centralizes, visualizes, and keeps a record of all products, allowing buyers to find the product-level information they need.
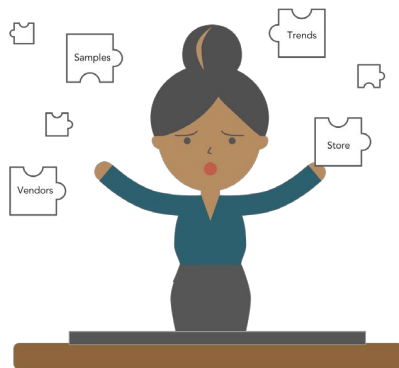
Buyers struggle to put the puzzle together.

Buyers engage in many different "qualitative" activities: gathering insights from comp shopping, observing their customers in-store, and discussing trends with vendors. These activities, though critical to strategy, are typically very ad-hoc and unstructured. As it stands, most buyers work from a general gist of this information, rather than specifics, because it is too cumbersome to organize.

Supporting Research Methods: Interviews, Contextual Inquiry, Empathy-Building Activity, Survey

Surefront helps organize insights into buying programs and easily communicate them with vendors.

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3

The Buying Experience Today (cont)
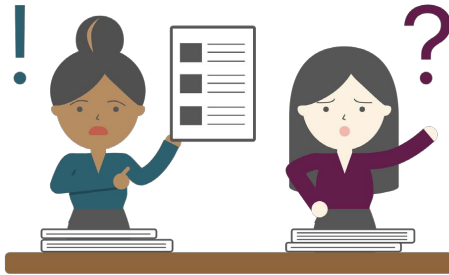
Purchase Orders are 20% work, and 80% headache.

Communication challenges plague the current purchase order (PO) process. Issues between buyers and vendors can cause late shipments, missed opportunities, and strained relationships. This process is critical to retail buying, and improving it is our core focus—maximizing both buyer and retailer benefit, as well as value to LH Ventures.

Supporting Research Methods: Contextual Inquiry, Interviews, Artifact Analysis, Competitive Analysis

Surefront service approach helps buyers feel decisive and empowered: they can now create a purchase order with one click. No more headaches.

What Happened to the Thrill?

Buying creates a unique high that is part shopping, part strategic gambling, and part competition. But now it's followed by a low: the paperwork. A successful tool needs to lessen the lows without sacrificing the highs. It also needs to work both for in-person meetings and remote purchasing.

Supporting Research Methods: Contextual Inquiry, Interviews, Empathy-Building Activity, Card Sort, Survey

Surefront is flexible. It works seamlessly when the buyer and vendor are meeting in-person or discussing products remotely.

4

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Contents:

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Section 1

At Your Service

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At Your Service: Give a Little, Get a Lot

Efficiency

Buyers spend less time reviewing spreadsheets full of products that are off-base for their target customer.

Efficacy

With less products to review, buyers can pick just the right product for their assortment.

Feelings

Buyers feel less overwhelmed by the influx of product offers, and more motivated to review the curated offers they do receive. Buyers feel that their needs are catered to, with fantastic customer service from their vendors.

Value 1 of 3

Vendors provide better service when they understand their buyers' preferences.

Before **Give Me a Moment**	After **At Your Service**
Lengthy buyer-vendor "dating" period	Buyers and vendors get to know each other quickly
Vendors learn needs by trial and error	Buyers specify trends, styles for buying programs
Long, 'product dump' offers from vendors	Short, curated product offers from vendors
Minimal tracking of products offered vs. products bought	Built-in success rate analytics
"I sent a huge product offer PDF to her. So far there is only one product she really likes." -Vendor, 5 years	"I know my program objectives like the back of my hand, which can make it hard to explain to vendors...this tool reminds me what to tell them." -Buyer, 11 years

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There's a Gaping Hole in the Market

We conducted a competitive analysis of 10 existing buyer-vendor collaboration platforms and found a surprising hole in the market: **there are no retailer-focused tools that facilitate high-touch buyer-vendor interaction.**

Buyers from large retail companies expect high levels of service from their vendors. These buyers want to feel like their vendor is a "friend who gives great advice." They only work with vendors who are willing to work in 'high-touch interactions': come prepared with products that these buyers are interested in, or be nimble enough to customize.

Very large retailers (think Walmart) have created their own proprietary platforms to meet their needs. However, there are many smaller-but-still-large retailers (think Ross) that are left without a viable solution to this high-touch problem. They write large enough orders to warrant their own platform, but are not large enough to invest in a proprietary solution. With Buying Time on the market, these retailers have access to a platform created for their unique needs.

This is particularly valuable for a major subset of these type of retailers: off-price retailers. Off-price retailers particularly benefit from a tool that consolidates their products, because they do not have e-commerce websites that track product information and inventory.

	Small Vendors	Large Vendors	Large Retailers	Large Retailers
	Writeorder Brandwise Apps4fashion Handshake	Invendix New Order Joor Brandboom Pepperi	**Surefront**	Proprietary Platform
Create purchase orders	⬤	⬤	⬤	⬤
Historical purchase order tracking	⬤	⬤	⬤	⬤
Buyers browse full vendor product catalogue			⬤	⬤
Buyers receive curated product offers			⬤	⬤
Product customization			⬤	⬤
Buyer-vendor communication			⬤	⬤
Sample management			⬤	⬤

The Bully on the Playground

Buying is a constant negotiation, with power tactics employed by both sides. In wholesale retail, power dynamics favor the party that has the larger order volume, and also impact the software retailers and vendors choose for purchase order generation.

Retailer > Vendor = Buyer Power

Large retail buyers (think Target) don't have time to scroll through 1,000+ products in a vendor's product catalogue. These buyers want their own software platforms, and they have the leeway to mandate that their vendors sign up—or risk losing the retailer's business. We found a dearth of tools that satisfy these buyers' needs.

Retailer < Vendor = Vendor Power

When the retailer is smaller (think small boutique shops), buying can be similar to an e-commerce experience: buyers go to the vendor's website, pick out what they want, and order products as is. Larger vendors with more sway expect buyers to use their software platforms. This market is saturated.

"I would never tell them 'filling out 50 order sheets is too much'. Of course you're just going to do it."
-Vendor, 4 years

Buying 10 products and buying 10,000 products are categorically different activities—**large buyers** get additional service from their vendors because they are able to place such large product orders.

Small vendors (compared to the retailers they work with) have the advantage of agility. However, they don't always have the lowest prices that economy of scale brings. To stay competitive, these small vendors have to really know their market, and offer outstanding service to buyers.

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Surefront PLM Requirements Template .XLSX

File Edit View Insert Format Data Tools Help

A25

	A	B	C
1	Requirement ID	ID of specific requirement	
2	Functional Area	Business process/group affected by requirement	
3	Requirement	Description of required functionality	
4	Requestor	Business group requesting functionality/requirement	
5	Priority	Level of importance ranked 1-3 with 3 being highest	
11			
12			
13			
14			
15			

Instructions ▼   Requirements ▼   Fit Scores ▼

DOWNLOAD THE RFP

Buyers say what they want...

To better serve buyers' needs, we help buyers give a little to get a lot. Buyers create buying programs in Surefront, sharing with their vendors what styles they are looking for in their upcoming assortment.

1 **I make it work for my schedule.** I set the timetable for my program to make sure vendors set their production schedule according to my needs.

2 **I select who I want to tell.** Only the vendors that I specify will see an announcement for a particular program.

3 **I tell vendors what I need.** I can specify what I want to see in the product offers my vendors send to me, both what is a 'Need to have' and a 'Nice to have.'

4 **I give vendors images for inspiration.** I can attach a trend board or other files to give vendors visual representations of what I am looking for.

5 **I set limits.** I can set a maximum number of products an offer can contain in order to keep things manageable for me.

…and vendors give great service.

Now that vendors better understand their buyers' current needs, they are able to select products and create offers that are tailored specifically for the buyer's program.

1 **I know what my buyer needs.** I feel confident submitting my offer to a program my buyer created.

2 **I provide my buyer with offer-level information.** I specify the lead time for my offer, and can add any additional descriptive text.

3 **I marry buyer needs to my capabilities.** I choose the products from my catalogue that match up with my buyer's needs.

Section 2

Decisive, Not Disorganized

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Efficiency

Buyers often create their own spreadsheets to track purchases-in-progress, and spend time categorizing their emails by vendors; this tool does it all for them.

Efficacy

Buyers can view programs in aggregate to make sure the assortment that supports their strategy.

Buyers can track each decision's impact on their Open-to-Buy dollars, ensuring they stay within their program budget. New Buyers have everything they need to quickly get up to speed on a category.

Feelings

Buyers feel less swamped by inputs from every direction, and able to make fully-informed decisions in a clear and concise fashion.

Value 2 of 3

Decisive, not Disorganized: Rise Above the Mundane

Buyers make better decisions when all their offers, products, and vendors are in one place.

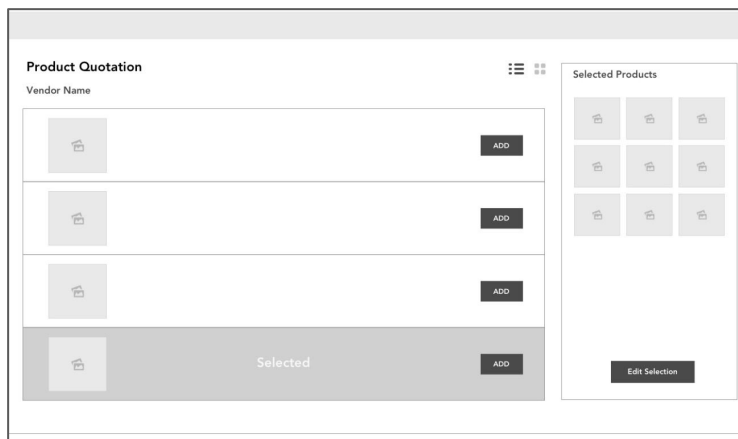| **Before**	**After**
# Drowning in Paperwork	# Decisive not Disorganized
Product offers arrive as email attachments	All offers organized by program and date in the Buying Time home screen
Each vendors uses their own offer format	All offers are created in standardized Buying Time format
Nearly impossible to compare vendors head-to-head	Buying Program Aggregate screen allows product comparison across vendors
Laborsome self-organization techniques, like organizing inbox by vendor	Built-in filters and user-created groupings to work like you want
"Sometimes I will get caught up in buying for a program and afterwards realize I spent $20 million on what was supposed to be a $4 million program." -Buyer, 5 years	"It would have been so confusing to look at multiple Excel spreadsheets from each vendor and try to compare them head-to-head. This is amazing." -Buyer, 3 years

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Organization: This or That?

We conducted A/B testing of different organizational schemes to understand buyers' mental models of information organization. We tested with 14 buyers and vendors at the Americasmart Apparel Tradeshow. Two example tests are analyzed below.

When you're making decisions on a product offer, would you rather select the products you want, or remove the products you don't want?
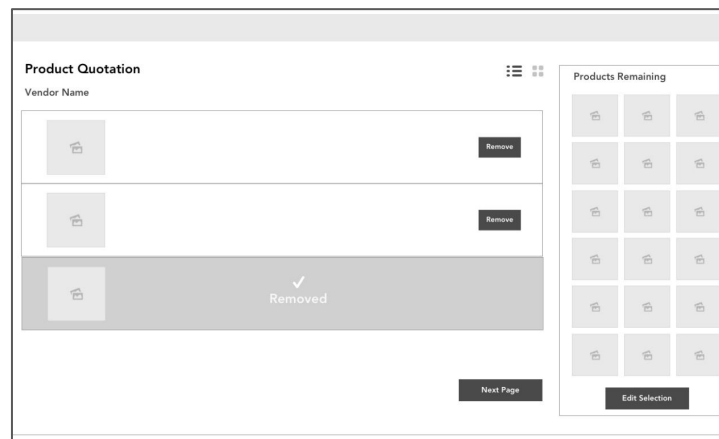
Adding Products

Removing Products
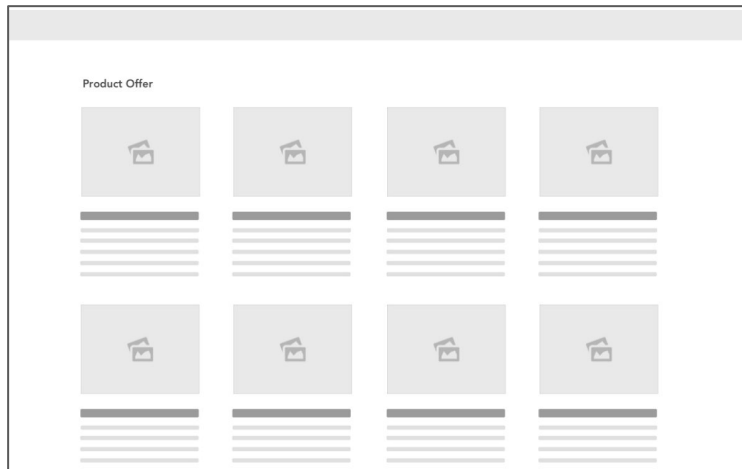

Impact on Final Design
We began by taking a purely Additive approach, a clear winner in our A/B testing. However, after additional testing we incorporated the 'cleaner' benefit from the Subtractive approach: buyers can 'hide' products that they know they don't want so the view is less cluttered.

Benefits: Participants liked that this technique made them thoroughly review each product before adding to their 'cart'–a workflow familiar from e-commerce. Interestingly, some commented that adding products felt more 'positive', while removing products felt 'negative'.

Trade-offs: Participants were worried this might be more time-intensive, especially if they wanted to order the majority of the products within an offer.

Benefits: Participants felt that this technique was 'cleaner', allowing them to progressively make the order smaller and smaller as they eliminated products that didn't fit their needs.
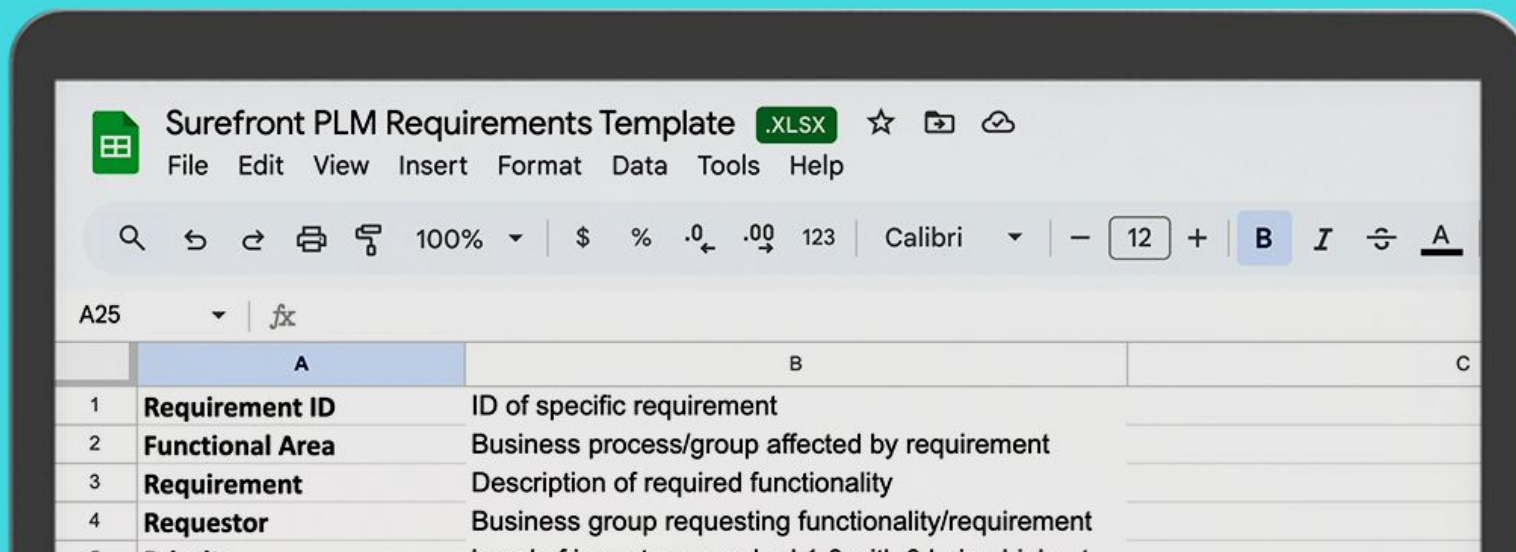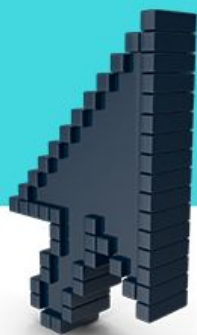
Trade-offs: Participants were concerned they might forget to remove a product from a large offer, and accidentally order something they didn't want.

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19

"I want to see the most I can possibly see on the page at once. A choice between 6 and 100? I'll go with 100."
- Buyer

How would you prefer to view product details: in list view or in grid view?
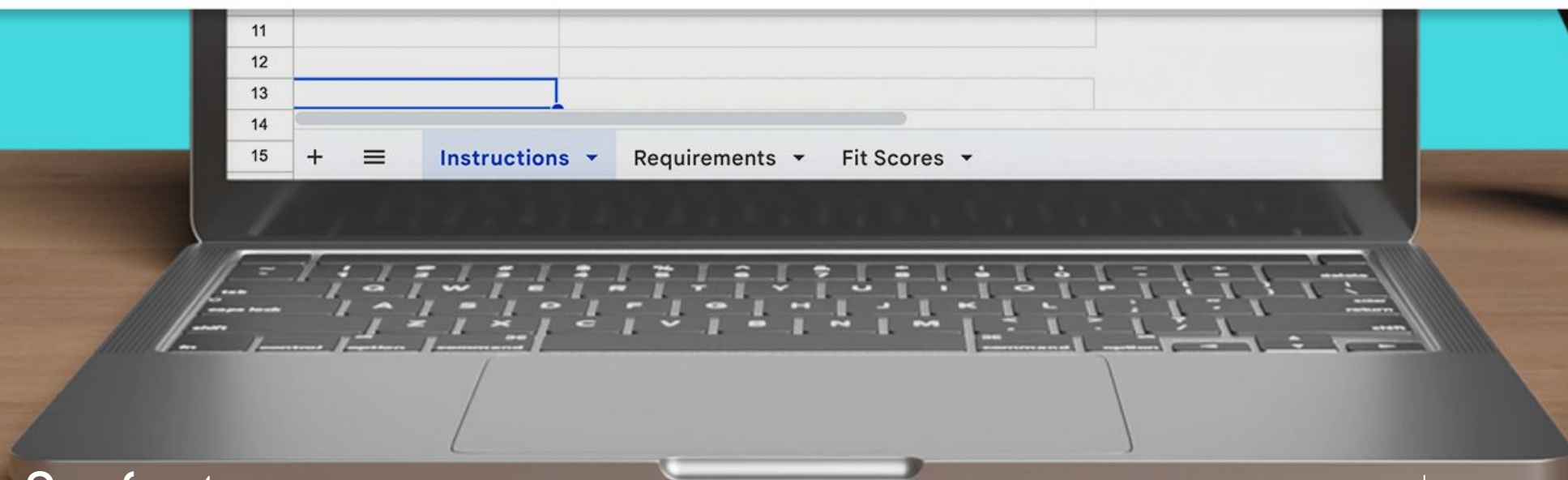
Grid View

List View

Impact on Final Design
Buying Time uses a combination of the two views. In contrast to our A/B test results, when we tested the offer details screen again with a real task, buyers needed more information than the grid view could offer in order to make a real decision.

When buyers want to visually review their buying program as a whole, we show them in a gridview.

Benefits: Participants liked that this technique made them thoroughly review each product before adding to their 'cart'–a workflow familiar from e-commerce. Interestingly, some commented that adding products felt more 'positive', while removing products felt 'negative'.

Trade-offs: Participants were worried this might be more time-intensive, especially if they wanted to order the majority of the products within an offer.

Benefits: Participants felt that this technique was 'cleaner', allowing them to progressively make the order smaller and smaller as they eliminated products that didn't fit their needs.

Trade-offs: Participants were concerned they might forget to remove a product from a large offer, and accidentally order something they didn't want.

TRY IT FREE

Buyers view the big picture...

Buyers can view an aggregate of all products that they have purchased or are considering purchasing for a particular buying program, such as a Back to School program.

1 **I view aggregate calculations.** I see a snapshot of all relevant calculations for a program, including average margin, total quantity, and physical size of the order.

2 **I view all products for the program.** I see all the products I am considering for a particular program, with a clear view of their status.

3 **I track my financials.** I see how close I am to the budget I set for the program.

4 **I buy within my time frame.** I keep tabs on the schedule needed to get my products to stores on time.

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…and both stay organized.

Collaboration means access to some of the same information. Both buyers and vendors can see all product offers and purchase orders on one Home screen.

1 **I can see all my Purchase Orders.** My goal is to receive new Purchase Orders, so I see new ones at the top of the screen.

2 **I can filter and search.** I can slice and dice my offers by program, buyer, and date.

3 **I view offers by program.** When I click on a program, I see the program details and any relevant offers.

4 **I preview before diving in.** Each offer I see has thumbnail images that give me the gist of what is included in the offer.

5 **I can access my history.** I can find offers that are no longer active in my History section.

Section 3

Communicate in Context

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Communicate in Context: Cut to the Chase

Efficiency

Because of the product-centric nature of the messaging design, there's no need to explain which specific product you're talking about, and the detail in question.

Efficacy

Messages and notes made by either party are attached to the product forever, making it a reference-able audit log.
By including all negotiation history, buyers can draw insight into their vendor's negotiation practice in order to get the upper hand.

Buyers 'resolve' product inquiries that have been answered, making it clear what needs to be done.

Feelings

Vendors feel more confident that their communication will receive a response, and buyers feel less bombarded by overzealous vendors.

Value 3 of 3

Buyers and Vendors get to tube point faster when they communicate directly about a product or offer.

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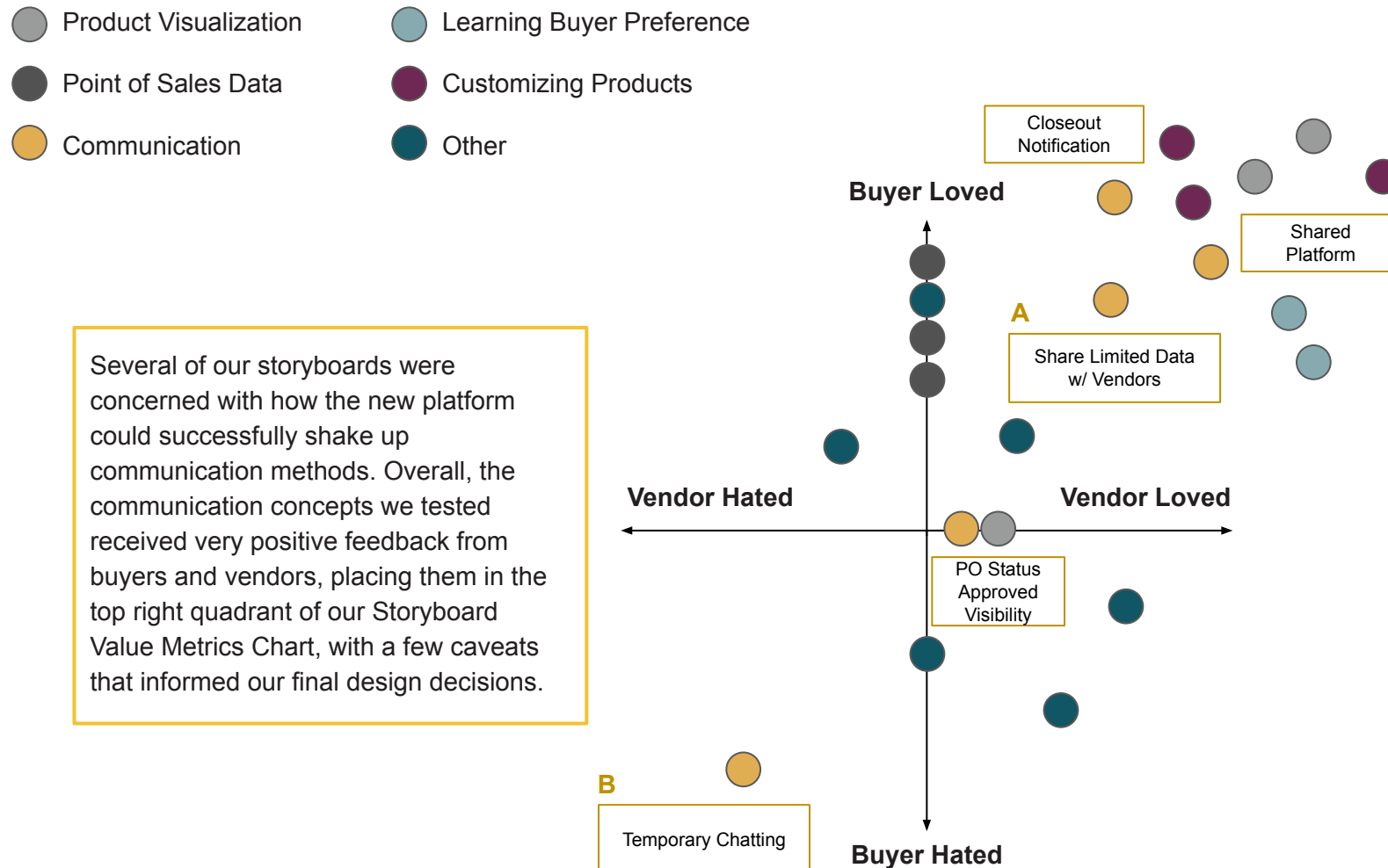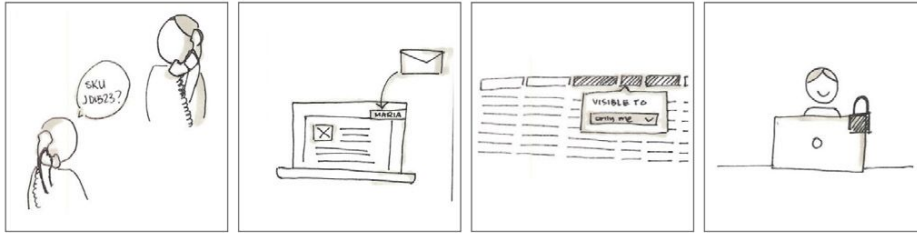| **Before**	**After**
Wasted Noise	**Communicate in Context**
Not able to audit communication	All product conversations logged and organized by product
Describe product, then ask a question	Context is clear, so cut right to the chase
Overloaded email inboxes with intra- and inter-company communication	All communications with vendors in one singular location
Buyers' personal notes are jotted down in notebooks and post-its	Personal notes are attached directly to the product for future reference
"Sometimes I will attach a sticky note to a piece of jewelry, then put it inside a Ziploc bag and send it to the manufacturer." -Vendor Sales Representative	"I would use this tool to message things like 'Here is a screenshot of something similar at a lower price,' and 'Hey can you switch this wicker from black to brown?'" -Buyer, 10 years

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Storyboarding:
Let's Talk about Communication

In our low-fidelity exploration phase, we wanted to test new concepts quickly, with low overhead. We created storyboards to test new concept ideas, gauging both buyers' and vendors' comfort and interest. Below is a summary and review of two such storyboards.

- Product Visualization
- Point of Sales Data
- Communication
- Learning Buyer Preference
- Customizing Products
- Other

Several of our storyboards were concerned with how the new platform could successfully shake up communication methods. Overall, the communication concepts we tested received very positive feedback from buyers and vendors, placing them in the top right quadrant of our Storyboard Value Metrics Chart, with a few caveats that informed our final design decisions.

Buyer Loved

Closeout Notification

Shared Platform

A

Share Limited Data w/ Vendors

Vendor Hated   **Vendor Loved**

PO Status Approved Visibility

B

Temporary Chatting

Buyer Hated

A

Sharing Limited Data with Vendors

Mark asks Maria how his company's products are doing in her stores

Maria sees an option to send over some of the sales data from within the software.

Maria changes the privacy settings in order to hide the margins. She leaves the other metrics visible.

Maria sends the data to Mark, confident that she has shared just the right amount of information.

What Worked: Buyers and vendors liked modifying privacy settings, noting privacy is very important to maintaining negotiating power.

What Didn't: Participants hoped the process of data-sharing would be even easier than depicted—there is data vendors need, and data they don't. Buyers wanted to give access to the former without receiving requests for the later.

Impact on Final Design: Our design incorporates several features that give buyers their own personal, non-shared spaces within the tool: personal notes and individual margin calculations. Buyers can also choose which vendors have access to specific buying programs.

B

Temporary Chatting
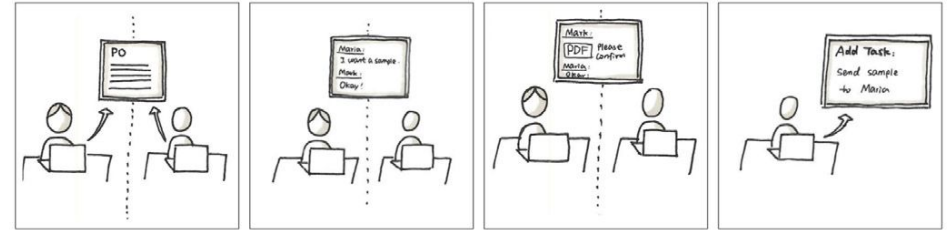
Mark and Maria are remotely working together on their purchase order.

Maria decides that she wants to see a sample of a certain product. She is able to quickly open a chat right there in the document with Mark.

Mark attaches a PDF of the product page to make sure he has the right item.

After confirmation, Mark make a note in the tasks section of the software so he remembers to take action later, since the chat is only temporary.

What Worked: Buyers and Vendors liked the ability to quickly communicate around a specific product, especially with relevant file attachments.

What Didn't: Participants were very against the idea of temporary chatting, considering it too 'casual' and even 'rude'. Vendors were concerned that fielding several one-off conversations could get out of hand, and buyers noted that if it was important, they would rather place a call.

Impact on Final Design: Our messaging design is product-specific and action-oriented. We made sure to add elements to satisfy users' business needs: incorporating a full message audit log, adding the ability to resolve a thread, and branded as 'Product Conversations.'

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Buyers ask for lower and better...

Buyers can play with numbers within the tool to calculate their designed margins, or profits. Then they can collaborate with their vendors to negotiate prices and customize products.

1   **I make personal notes.** I can make notes that aren't visible to my vendor to help my current decision-making or make sure to remember next time I order.

2   **I negotiate price per product.** I can input a particular price bid, and reference my price negotiation history at the same time to see whether we are converging.

3   **I make personal calculations.** I'm supported in my negotiation process by inputting a retail price and viewing the resulting margin for a particular price bid.

4   **I view aggregate calculations.** While I'm working through the offer, any changes I make are summarized in the bottom panel.

5   **I can ask questions about products.** I can reach out directly to my vendor about a particular product by making a product inquiry.

...and vendors make it happen.

Vendors can respond to incoming price bids and field inquiries about both products and entire offers from their buyers.

1   **I can answer offer inquiries.** I can field negotiations about the entire offer, such as requests to adjust the shipping date or sourcing.

2   **I can respond to price negotiations.** I can adjust pricing to reflect a Buyer's bid, or suggest my own.

3   **I can answer product inquiries.** I can view and respond to new messages about a particular product, whether it be a question or customization request.

4   **I can edit product information in response.** If the customization process progresses, I can easily update the product information to reflect our new agreement.

5   **I can send and receive file attachments.** I can preview images and other files within the messaging stream, and send pictures of designs-in-progress.
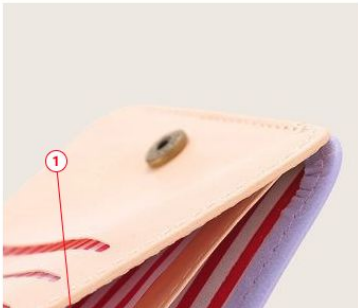
B   ◀ 15 of 15 Products ▶   Assign Workflow   Save to Catalog   Export   Download   Duplicate

Edit

bag190430302 Edit

Slogan Print Fold Over Purse

UPC#	
Warehouse Pack - GTIN	
Vendor Pack - GTIN	
Brand	
Size	
Color	Purple
MSRP	
Material	100% Leather
Length	4 in
Width	0.5 in
Height	3.75 in
Carton Dimensions	12 x 12 x 6 in
Cube	0.60 ft³
Master Pack	20
MOQ	250
HTS#	42022290
Origin	China
My Team Notes	
Account	
EOL Date	
Season	
Customer Channel/Segment	
Prop 65 Warning	
Item Decision	
Currency	
UGT's Field	
Length UDF3	
CIMS Code	
RETAIL GROUP LOOKUP	
RETAIL GROUP	

Price Calculator   Save

FOB Point	Qingdao
Freight Rate	$1.20 / 1.00 ft³
Freight Description	
Duty Rate	4.60 %
Misc Cost	$0.00

Supplier	Add
Total Quantity	1,200
Total Unit Cost	$0.0000
Total Freight Cost	$43.2000
Total Duty Cost	$0.0000
Total Misc Cost	$0.0000
Landed Cost	$0.0300
Margin	0.0000%
Total Unit Price	$0.0000

Components Bulk Create Edit

		Ratio	Quantity	Total Cost
Item #	bag190430302-small-Red	1	60	$0.0000
UPC#				
Description				
Color	small			
Size	Red			
Material				
Item #	bag190430302-small-Blue	2	120	$0.0000
UPC#				
Description				
Color	small			
Size	Blue			
Material				

Add Tags

Suppliers

bag190430302

① Doug Heckmann 9:44 AM 06/02/2022
Change font from script to handwriting

② Doug Heckmann 3:32 PM 06/02/2022
Change the stitching

bag190430302-1

① Doug Heckmann 3:34 PM 06/02/2022

Workflow ✕

Sample Checklist ⋮

#	Task	Assignee	Due Date
1	✓ Initial Specs Confirmed	👥	12/13/19
2	✓ Sample Request	S Supplier	12/20/19
3	✓ Sample Shipped	S Supplier	01/02/20
4	✓ Sample Review	S 👤	01/13/20
5	✓ Order Issued	👤	

From Program Creation to Purchase Order

Buying Time re-envisions the current purchasing process, adding new decision-making tools and removing the need to exchange multiple emails and documents.
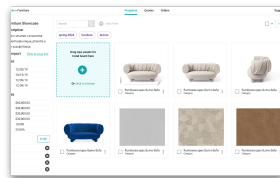
1 Upload Program Details

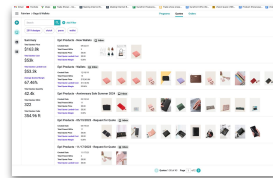I decide what my focus is for this buying season, and announce to my vendors.
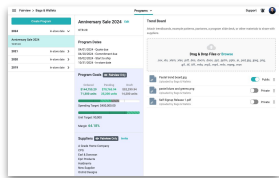
2 View Offers in Inbox

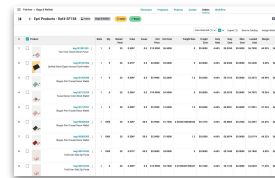I prioritize the curated products offers my vendors send me.

3 Select Items

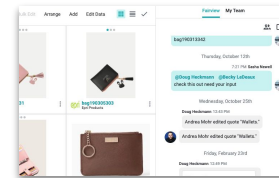I choose the items from my vendor's offer that best suit my needs.

4 View Aggregate

I view my program as a whole, and adjust my purchases from individual vendors.
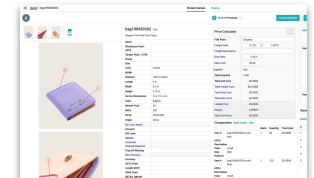

5 Negotiate

I bid for lower prices on items, and ask for some products to be customized.

6 Finalize Order

I commit to the buy, and generate a Purchase Order Worksheet.
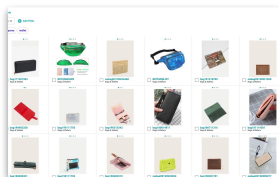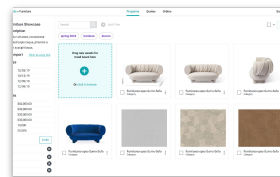

Buyer

Seller

Purchase Order

1 View Announcement

I learn the trends and price points my buyer wants to pursue in her assortment.
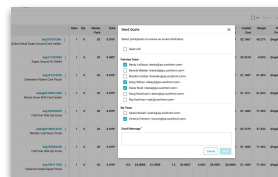
2 Select Items for Offer

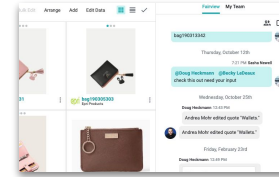I choose products from my catalogue that best fit her strategy.

3 Send Offer

I release a curated offers to my buyer.

5 Negotiate

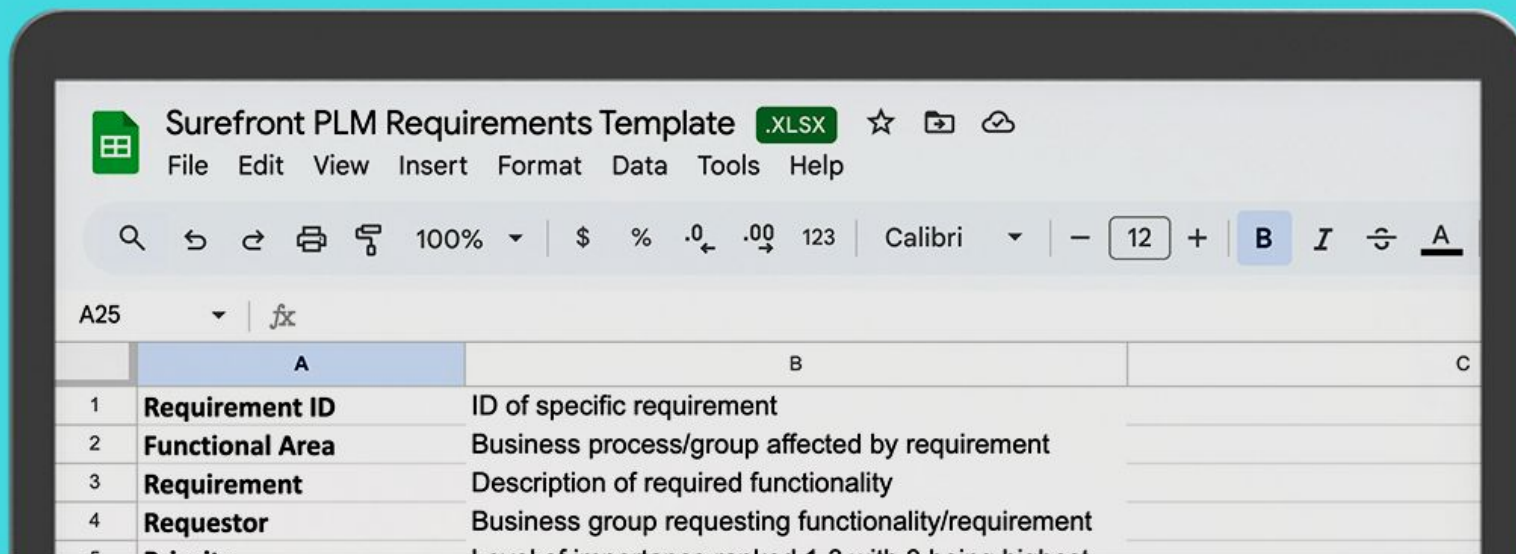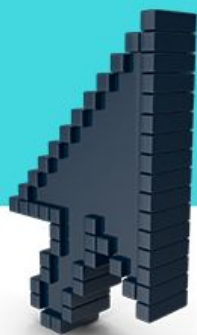I lower the unit cost for some items, and consider customization requests.

6 View Statistics

I see statistics on how many products my buyer selected from my offer.

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Catalog Management
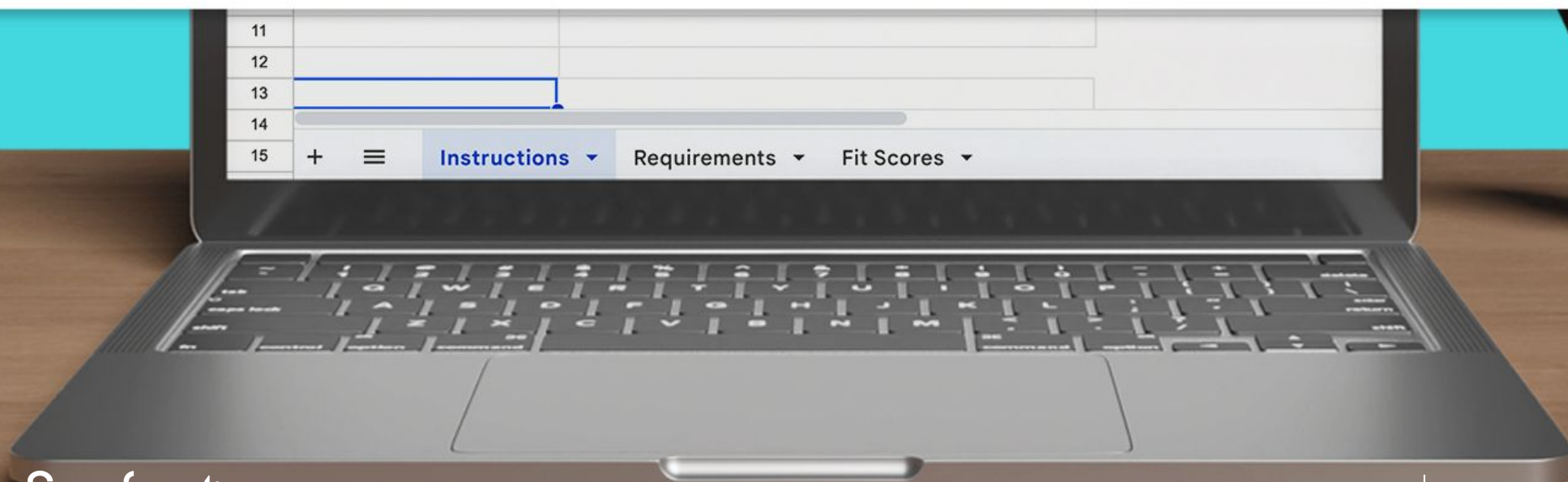
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